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Canada

MARKET ACCESS SECRETARIAT
Global Analysis Report

Sector Trend Analysis

Pork Trends in China

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TRADE SUMMARY

From a global perspective, China is the largest market for fresh meat and the largest importer of pork and pork products, importing more than C$3.5 billion in 2015. The country mainly imports its pork and pork products from Germany, with 22.2% of total imports, followed by the United States (17.5%) and Spain (14.6%). Canada was the sixth largest supplier with 6.7%.

In 2015, China's main pork and pork product imports were frozen offal (C$1.6 billion), frozen pork cuts (C$1.3 billion), and frozen hams, shoulders and cuts thereof (bone-in) (C$581.5 million).

CANADA'S PERFORMANCE

With a value of C$236.8 million, Canada was China's sixth-largest supplier for pork and pork products in 2015. In 2015, Canada's main pork product sales to China were frozen pork offal (C$96.3 million), frozen pork cuts (C$74.1 million), and frozen, bone-in hams, shoulders and cuts thereof ($61.7 M).

Between 2012 and 2015, Chinese imports of frozen offal (except livers), frozen hams, shoulders and cuts thereof, and pig fat, have increased to place Canada as the sixth pork supplier to China. However, Canada's share has declined in these categories, due to the fact that China imported more of these products overall and there were more countries active in exporting to the market. Therefore, the market share was more fragmented, reducing Canada's position.

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SPENDING AND CONSUMPTION

Chinese consumer expenditure on meat were US$159.1 billion in 2015. Year-on-year growth, has been increasing steadily since 2010, averaging a 6.5% growth.

Market Sizes Historical Retail Value Sales US$ million Year-on-Year Growth (%)

Categories	2010-11	2011-12	2012-13	2013-14	2014-15
Meat	6.2	10.7	5.4	5.5	4.8
Beef and veal	8.2	8.1	7.2	7.4	7.0
Lamb, mutton and goat	5.3	8.1	4.6	5.0	4.7
Pork	6.1	11.1	5.3	5.3	4.4
Poultry	5.6	12.6	5.2	5.6	5.0
Other meat	4.9	7.3	3.8	4.3	3.7

***Source**: Euromonitor, 2016*

Per capita spending on meat was US$116.3 in 2015, up from US$87.1 in 2010. Per capita spending has been increasing steadily since 2006 (US$56.8). Spending on pork was up to US$85.2 from US$64.00 in 2010

Market Sizes Historical Retail Value Sales in US$ Per Capita Spending on Meat and Meat Products

Categories	2010	2011	2012	2013	2014	2015
Meat	87.1	92.0	101.4	106.3	111.6	116.3
Beef and veal	8.6	9.3	10.0	10.6	11.4	12.1
Lamb, mutton and goat	5.4	5.7	6.1	6.4	6.7	6.9
Pork	64.0	67.6	74.7	78.2	82.0	85.2
Poultry	8.1	8.5	9.5	10.0	10.5	11.0
Other meat	0.9	1.0	1.1	1.1	1.1	1.2

***Source**: Euromonitor, 2016*

RETAIL SALES

The volume sales of meat in China reached 67.5 million tonnes in 2015. Volume growth recovered with pork having the highest volume share of 65%. Stable growth was witnessed in different categories, led by the growth in beef and veal, as well as lamb, mutton and goat.

Market Sizes Historical Retail Value Sales of Meat and Meat Products, in US$ billions

Categories	2010	2011	2012	2013	2014	2015	% *CAGR 2010-15
Meat	116.20	123.42	136.60	143.97	151.89	159.12	6.5
Beef and veal	11.47	12.41	13.42	14.38	15.45	16.53	7.6
Lamb, mutton and goat	7.26	7.65	8.27	8.65	9.08	9.50	5.5
Pork	85.39	90.62	100.64	105.94	111.54	116.50	6.4
Poultry	10.81	11.41	12.85	13.52	14.27	14.98	6.8
Other meat	1.27	1.33	1.43	1.48	1.54	1.60	4.8

***Source**: Euromonitor, 2016 . *CAGR= Compound Annual Growth Rate*

Market Sizes Historical Retail Value Sales of Meat and Meat Products, in '000' Tonnes

Categories	2010	2011	2012	2013	2014	2015	% *CAGR 2010-15
Meat	58,420.7	59,052.7	62,442.2	64,462.0	65,656.2	67,502.6	2.9
Beef and veal	4,441.9	4,710.2	4,855.4	5,112.7	5,368.4	5,550.9	4.6
Lamb, mutton and goat	3,027.3	2,984.9	3,220.3	3,310.5	3,396.6	3,627.5	3.7
Pork	38,038.3	38,000.3	40,090.3	41,293.0	42,490.5	43,637.8	2.8
Poultry	11,835.5	12,249.8	13,143.2	13,590.1	13,223.1	13,487.6	2.6
Other meat	1,077.6	1,107.5	1,133.0	1,155.7	1,177.6	1,198.8	2.2

***Source**: Euromonitor, 2016 *CAGR= Compound Annual Growth Rate*

Market Sizes Forecast Retail Value Sales of Meat and Meat Products, in US$ billions

Categories	2016	2017	2018	2019	2020	% *CAGR 2016-20
Meat	166.22	174.09	182.59	191.67	201.27	4.9
Beef and veal	17.66	18.94	20.36	21.94	23.67	7.6
Lamb, mutton and goat	9.93	10.41	10.93	11.50	12.13	5.1
Pork	121.30	126.61	132.29	138.32	144.60	4.5
Poultry	15.67	16.42	17.21	18.05	18.93	4.8
Other meat	1.66	1.72	1.79	1.86	1.94	4.0

***Source**: Euromonitor, 2016 *CAGR= Compound Annual Growth Rate*

The volume sales of meat in China is forecasted to reach 78.1 million tonnes in 2020, for a sales value of over US$201 billion. Pork will still hold the highest volume share with 62%, for a sales value of US$144.6 billion. According to Euromonitor, the forecasted decline pork market size is due to an overcapacity problem and the new Food Safety Law, which has been in place since April 2015. This new law is likely to remove unqualified manufacturers and enhance market supervision.

Market Sizes Forecast Retail Value Sales of Meat and Meat Products, in '000' Tonnes

Categories	2016	2017	2018	2019	2020	% *CAGR 2016-20
Meat	69,483.4	71,584.2	73,713.5	75,909.6	78,187.7	3.0
Beef and veal	5,761.8	5,992.3	6,244.0	6,518.7	6,818.6	4.3
Lamb, mutton and goat	3,881.4	4,172.6	4,506.4	4,875.9	5,290.3	8.0
Pork	44,728.7	45,802.2	46,809.9	47,792.9	48,748.7	2.2
Poultry	13,892.2	14,378.5	14,896.1	15,447.2	16,034.2	3.6
Other meat	1,219.2	1,238.7	1,257.3	1,274.9	1,295.9	1.5

***Source**: Euromonitor, 2016 *CAGR= Compound Annual Growth Rate*

CONSUMER FOODSERVICE IN CHINA

With one fifth of the world's population, China is the largest global market for fresh meat. Euromonitor reports that one third of the meat consumed in China in 2015 was through foodservice establishments. In China, full-service restaurants are becoming increasingly central to social life, as smaller living spaces are leading consumers to entertain outside the home.

China is seeing the emergence of group buying in consumer foodservice catering. Group buying occurs when a company offers products and services at significantly reduced prices, on the condition that a minimum number of buyers are willing to purchase the same item. This trend began towards the end of 2010. Euromonitor credits the growing popularity of group buying in China to the rapid development of e-commerce.

Foodservice catering operators launched a combination of dishes with discounted prices that can be purchased through group buying e-commerce platforms. Currently, there are many group buying websites in China, similar to the popular North American services Groupon and Dealfind.

Market Sizes Historical Retail Volume Sales of Meat in Foodservice and Institutional in '000' Tonnes

Categories	2010	2011	2012	2013	2014	2015	% *CAGR 2010-15
Meat - Foodservice	16,784.3	17,125.3	17,440.1	18,049.3	18,515.0	19,137.0	2.7
Meat - Institutional	12,479.9	11,969.0	13,600.1	14,208.2	14,063.5	14,461.0	3.0

***Source**: Euromonitor, 2016 *CAGR= Compound Annual Growth Rate*

BY THE NUMBERS

China leads the world in pork production and consumption and is also a major destination for pork exports. China has a large and steadily growing population with increased spending power and a trend toward more meat consumption.

Import demand is supported by Chinese pork processors utilizing lower cost imports to produce products for the domestic market.

China, Top Imports of Pork Products, 2015

HS Code	Description	2015 imports Value	Top Supplier
Pork & Products		3,526,360,528	Germany
020649	Frozen pork offal	1,602,240,402	U.S.
020329	Frozen pork cuts	1,285,176,151	Germany
020322	Frozen hams, shoulders and cuts thereof with bone in	581,530,432	Germany
0209	Pig fat	41,442,928	Germany
1601	Sausages and similar product	6,161,739	South Korea

***Source**: Global Trade Tracker, 2016*

TOP TEN PORK SUPPLIERS TO CHINA

Top Pork Suppliers to China by Country and Top Products Provided
Value in C$ Millions, 2015

Rank	Supplier	2015 Sales Value (C$ million)	Top 3 Product	Sales Value (C$ million)
1	Germany	781.98		
			Frozen pork cuts	324.23
			Frozen pork offal	300.26
			Frozen hams, shoulders and cuts thereof with bone in	146.23
2	United States	615.78		
			Frozen pork offal	364.36
			Frozen pork cuts	142.51
			Frozen hams, shoulders and cuts thereof with bone in	106.48
3	Spain	514.70		
			Frozen pork cuts	251.63
			Frozen pork offal	171.95
			Frozen hams, shoulders and cuts thereof with bone in	75.99
4	Denmark	499.00		
			Frozen pork offal	268.72
			Frozen pork cuts	194.67
			Frozen hams, shoulders and cuts thereof with bone in	31.50
5	France	247.07		
			Frozen pork offal	116.39
			Frozen pork cuts	108.56
			Frozen hams, shoulders and cuts thereof with bone in	18.27
6	Canada	236.86		
			Frozen pork offal	96.34
			Frozen pork cuts	74.16
			Frozen hams, shoulders and cuts thereof with bone in	61.71
7	Netherlands	215.39		
			Frozen pork offal	136.88
			Frozen pork cuts	43.30
			Frozen hams, shoulders and cuts thereof with bone in	33.87
8	Chile	113.92		
			Frozen pork offal	45.88
			Frozen hams, shoulders and cuts thereof with bone in	41.94
			Frozen pork cuts	24.88
9	Ireland	103.16		
			Frozen pork cuts	39.30
			Frozen pork offal	35.67
			Frozen hams, shoulders and cuts thereof with bone in	26.61
10	United Kingdom	89.13		
			Frozen pork cuts	36.93
			Frozen pork offal	28.92
			Frozen hams, shoulders and cuts thereof with bone in	22.37

***Source**: Global Trade Tracker, 2016*

RESOURCES

Euromonitor International, 2016. Meat in China March 2016.
Global Trade Tracker, 2016

SECTOR TRENDS ANALYSIS

Pork Trends in China

Global Analysis Report

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